

## **SEC. 641. INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.**

(a) In General- Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

### **` Sec. 327. Incentive bonus: transfer between armed forces**

` (a) Incentive Bonus Authorized- A bonus under this section may be paid to an eligible member of a regular component or reserve component of an armed force who executes a written agreement--

` (1) to transfer from such regular component or reserve component to a regular component or reserve component of another armed force; and

` (2) to serve pursuant to such agreement for a period of not less than three years in the component to which transferred.

` (b) Eligible Members- A member is eligible to enter into an agreement under subsection (a) if, as of the date of the agreement, the member--

` (1) has not failed to satisfactorily complete any term of enlistment in the armed forces;

` (2) is eligible for reenlistment in the armed forces or, in the case of an officer, is eligible to continue in service in a regular or reserve component of the armed forces; and

` (3) has fulfilled such requirements for transfer to the component of the armed force to which the member will transfer as the Secretary having jurisdiction over such armed force shall establish.

` (c) Limitation- A member may enter into an agreement under subsection (a) to transfer to a regular component or reserve component of another armed force only if the Secretary having jurisdiction over such armed force determines that there is shortage of trained and qualified personnel in such component.

` (d) Amount and Payment of Bonus- (1) A bonus under this section may not exceed \$2,500.

` (2) A bonus under this section shall be paid by the Secretary having jurisdiction of the armed force to which the member to be paid the bonus is transferring.

` (3) A bonus under this section shall, at the election of the Secretary paying the bonus--

` (A) be disbursed to the member in one lump sum when the transfer for which the bonus is paid is approved by the chief personnel officer of the armed force to which the member is transferring; or

` (B) be paid to the member in annual installments in such amounts as may be determined by the Secretary paying the bonus.

` (e) Relationship to Other Pay and Allowances- A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

` (f) Repayment- (1) A member who is paid a bonus under an agreement under this section and who, voluntarily or because of misconduct, fails to serve for the period covered by such agreement shall refund to the United States an amount which bears the same ratio to the amount of the bonus paid such member as the period which such member failed to serve bears to the total period for which the bonus was paid.

` (2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

` (3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under paragraph (1).

` (g) Regulations- The Secretaries concerned shall prescribe regulations to carry out this section. Regulations prescribed by the Secretary of a military department under this subsection shall be subject to the approval of the Secretary of Defense.

` (h) Termination of Authority- No agreement under this section may be entered into after December 31, 2006.'

(b) Clerical Amendment- The table of sections at the beginning of chapter 5 of such title is amended by adding at the end the following new item:

` 327. Incentive bonus: transfer between armed forces.'